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KERALA GAZETTE

EXTRAORDINARY

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Law Department.

NOTIFICATION

No. 5153/58/Law (B) 3.

Dated, Trivandrum, 25th February 1959/ Phalguna 6, 1880 (Saka).

The following Act of the Kerala State Legislature is hereby published for general information. The Bill as passed by the Legislative Assembly received the assent of the President on the 18th February, 1959.

By order of the Governor,

P. NARAYANASWAMI,
Additional Law Secretary.

ACT 7 OF 1959

THE KERALA CO-OPERATIVE SOCIETIES LAWS (AMENDMENT) ACT, 1958

An

ACT

to amend the Travancore-Cochin Co-operative Societies Act, 1951 and the Madras Co-operative Societies Act, 1932.

Preamble. WHEREAS it is deemed expedient to amend the Travancore-Cochin Co-operative Societies Act, 1951 and the Madras Co-operative Societies Act, 1932, for the purposes hereinafter appearing;

BE it enacted in the Ninth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Co-operative Societies Laws (Amendment) Act, 1958.

(2) It shall come into force on such date as the Government may, by notification in the Gazette, appoint.

2. *Amendments to the Travancore-Cochin Co-operative Societies Act, 1951.*—In the Travancore-Cochin Co-operative Societies Act, 1951—

(1) in section 7, after sub-section (2), the following sub-sections shall be inserted, namely:—

"(2A) Any person aggrieved by the refusal by a co-operative society to be admitted as a member of that society may, within such time as may be prescribed, prefer an appeal to the Registrar and the decision of the Registrar on such appeal shall be final.

(2B) Before arriving at a decision, the Registrar shall give a reasonable opportunity for parties to be heard and take into consideration whether such rejection was in the interest of the Society or actuated by any ulterior motive".

(2) in section 16, after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) (i) Where, in the opinion of the Registrar, the amalgamation of two or more registered societies is necessary or desirable for increasing their strength or usefulness, he may, after consulting, in the manner prescribed, the financing bank to which the societies are indebted, call upon such societies to amalgamate within such time as may be specified by him into one society in accordance with the procedure specified in sub-section (1).

(ii) If the societies fail to amalgamate into one society within the time specified by the Registrar, he may, after giving an opportunity to the committee of each of the societies to state its objections, if any, direct the amalgamation of the societies into one society.

(iii) Every registered society so directed shall within one month of the receipt of the Registrar's direction give notice of the direction to all its members and creditors.

(iv) (a) Any member of any of the societies so directed may, notwithstanding any bye-law to the contrary, by notice given to the society of which he is a member intimate his intention not to become a member of the new society and shall have the option of withdrawing his shares, deposits, or loans, as the case may be, within a period of one month of the service of such notice.

(b) Any creditor of any of the societies so directed may, notwithstanding any agreement to the contrary, by notice given to the society of which he is a creditor demand a return of the amount due to him, within a period of one month from the service of such notice.

(v) Any member or creditor who does not exercise his option within the period aforesaid shall be deemed to have assented to the amalgamation.

(vi) After the repayment of the share capital of the members and the claims of the creditors, if any, under clause (iv) by the societies directed to be amalgamated or after a majority of the members and creditors of such societies have assented to the amalgamation, the Registrar may register the new society. On such registration, the registration of the old societies shall be deemed to have been cancelled. The registration of the new society shall be a sufficient conveyance to vest in it all the assets and liabilities of the original societies.

(vii) The directions of the Registrar under clause (ii) or any other order passed by him under this sub-section shall be final and shall not be called in question in any court of law."

3. *Amendments to the Madras Co-operative Societies Act, 1932.*—In the Madras Co-operative Societies Act, 1932 (Act VI of 1932) as in force in the Malabar district referred to in sub-section (2) of section 5 of the States Reorganisation Act, 1956—

(1) section 8 shall be renumbered as sub-section (1) of that section and after sub-section (1) as so renumbered the following sub-sections shall be inserted, namely :—

"(2) Any person aggrieved by the refusal by a Co-operative society to be admitted as a member of that society may, within such time as may be prescribed, prefer an appeal to the Registrar and the decision of the Registrar on such appeal shall be final.

(3) Before arriving at a decision, the Registrar shall give a reasonable opportunity for parties to be heard and take into consideration whether such rejection was in the interest of the Society or actuated by any ulterior motive".

(2) in section 13, after sub-section (b), the following sub-section shall be inserted, namely :—

"(c) (1) Where, in the opinion of the Registrar, the amalgamation of two or more registered societies is necessary or desirable for increasing their strengh or usefulness, he may, after consulting, in the manner prescribed, the financing bank to which the societies are indebted, call upon such societies to amalgamate within such time as may be specified by him into one society in accordance with the procedure specified in sub-section (b).

(2) If the societies fail to amalgamate into one society within the time specified by the Registrar, he may, after giving an opportunity to the committee of each of the societies to state its objections, if any, direct the amalgamation of the societies into one society.

(3) Every registered society so directed shall, within one month of the receipt of the Registrar's direction, give notice of the direction to all its members and creditors.

(4) (i) Any member of any of the societies so directed may, notwithstanding any bye-law to the contrary, by notice given to the society of which he is a member, intimate his intention not to become a member of a new society and shall have the option of withdrawing his shares, deposits, or loans, as the case may be, within a period of one month of the service of such notice.

(ii) Any creditor of any of the societies so directed may notwithstanding any agreement to the contrary, by notice given to the society of which he is a creditor demand a return of the amount due to him, within a period of one month from the service of such notice.

(5) Any member or creditor who does not exercise his option within the period aforesaid shall be deemed to have assented to the amalgamation.

(6) After the repayment of the share capital of the members and the claims of the creditors, if any, under clause (4) by the ocieties directed to be amalgamated or after a majority of the members and creditors of such societies have assented to the amalgamation, the Registrar may register the new society. On such registration, the registration of the old societies shall be deemed to have been cancelled. The registration of the new society shall be a sufficient conveyance to vest in it all the assets and liabilities of the original societies.

(7) The directions of the Registrar under clause (2) or any other order passed by him under this sub-section shall be final and shall not be called in question in any civil court."

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